

HOUSE BILL 415

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HB 1165/01 - CGM

2004 Regular Session  
4r0531  
CF 4r1832

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By: **Delegate Vaughn**

Introduced and read first time: January 29, 2004

Assigned to: Appropriations

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A BILL ENTITLED

1 AN ACT concerning

2 **State Treasurer - Selection of Financial Institutions**

3 FOR the purpose of requiring certain financial institutions to submit a certain report  
4 to the Commissioner of Financial Regulation and the State Treasurer; specifying  
5 the contents of the report; altering the criteria the State Treasurer must  
6 consider prior to selecting a financial institution as a depository to include the  
7 extent of commercial loans made to certain minority business enterprises;  
8 prohibiting the State Treasurer from selecting certain financial institutions as  
9 depositories; and generally relating to the selection of a financial institution as  
10 a depository by the State Treasurer.

11 BY adding to  
12 Article - Financial Institutions  
13 Section 1-207  
14 Annotated Code of Maryland  
15 (2003 Replacement Volume)

16 BY repealing and reenacting, with amendments,  
17 Article - State Finance and Procurement  
18 Section 6-207  
19 Annotated Code of Maryland  
20 (2001 Replacement Volume and 2003 Supplement)

21 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
22 MARYLAND, That the Laws of Maryland read as follows:

23 **Article - Financial Institutions**

24 1-207.

25 (A) THE COMMISSIONER SHALL REQUIRE EACH BANKING INSTITUTION,  
26 NATIONAL BANKING ASSOCIATION, OR OTHER STATE BANK SUBJECT TO  
27 REGULATION BY THE STATE TO SUBMIT TO THE COMMISSIONER AND THE STATE  
28 TREASURER A VERIFIABLE ANNUAL REPORT ON HIGHER EDUCATION LOANS AS

1 DESCRIBED UNDER TITLE 18, SUBTITLE 10 OF THE EDUCATION ARTICLE AND  
2 COMMERCIAL LOANS TO MINORITY BUSINESS ENTERPRISES AS DESCRIBED UNDER  
3 TITLE 14, SUBTITLE 3 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

4 (B) THE ANNUAL REPORT SHALL INCLUDE:

5 (1) THE TOTAL NUMBER OF HIGHER EDUCATION LOAN APPLICATIONS  
6 THE INSTITUTION RECEIVED AND PROCESSED FOR THE YEAR;

7 (2) THE CUMULATIVE NUMBER OF HIGHER EDUCATION LOANS  
8 APPROVED BY THE INSTITUTION FOR THE YEAR;

9 (3) THE CUMULATIVE DOLLAR AMOUNT GIVEN BY THE INSTITUTION  
10 FOR HIGHER EDUCATION LOANS FOR THE YEAR;

11 (4) THE TOTAL NUMBER OF MINORITY BUSINESS ENTERPRISE  
12 COMMERCIAL LOAN APPLICATIONS THE INSTITUTION RECEIVED AND PROCESSED  
13 FOR THE YEAR;

14 (5) THE CUMULATIVE NUMBER OF MINORITY BUSINESS ENTERPRISE  
15 COMMERCIAL LOANS APPROVED AND PROCESSED BY THE INSTITUTION FOR THE  
16 YEAR; AND

17 (6) THE CUMULATIVE DOLLAR AMOUNT GIVEN BY THE INSTITUTION  
18 FOR MINORITY BUSINESS ENTERPRISE COMMERCIAL LOANS FOR THE YEAR.

19 **Article - State Finance and Procurement**

20 6-207.

21 (A) Before using a financial institution as a depository, the Treasurer shall  
22 consider the extent to which the financial institution [makes] MAKES:

23 (1) higher education loans under Title 18, Subtitle 10 of the Education  
24 Article; AND

25 (2) COMMERCIAL LOANS TO MINORITY BUSINESS ENTERPRISES IN  
26 EACH OF THE GROUPS DESCRIBED UNDER § 14-301(F) OF THIS ARTICLE.

27 (B) THE TREASURER MAY NOT DESIGNATE A FINANCIAL INSTITUTION AS A  
28 DEPOSITARY IF:

29 (1) THE FINANCIAL INSTITUTION FAILS TO TRUTHFULLY AND  
30 ACCURATELY COMPLY WITH THE ANNUAL REPORTING REQUIREMENTS DESCRIBED  
31 UNDER § 1-207 OF THE FINANCIAL INSTITUTIONS ARTICLE; OR

32 (2) THE FINANCIAL INSTITUTION HAS BEEN FOUND, THROUGH AN  
33 ADMINISTRATIVE OR JUDICIAL PROCESS, TO HAVE DISCRIMINATED IN ITS LENDING  
34 PRACTICES ON THE BASIS OF RACE, GENDER, OR NATIONAL ORIGIN.

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take  
2 effect July 1, 2004.